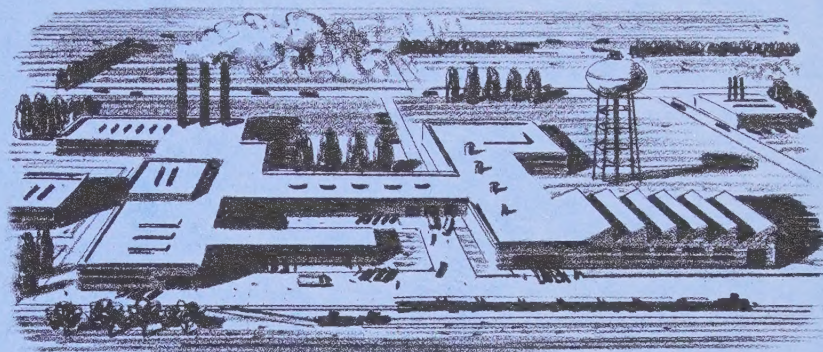
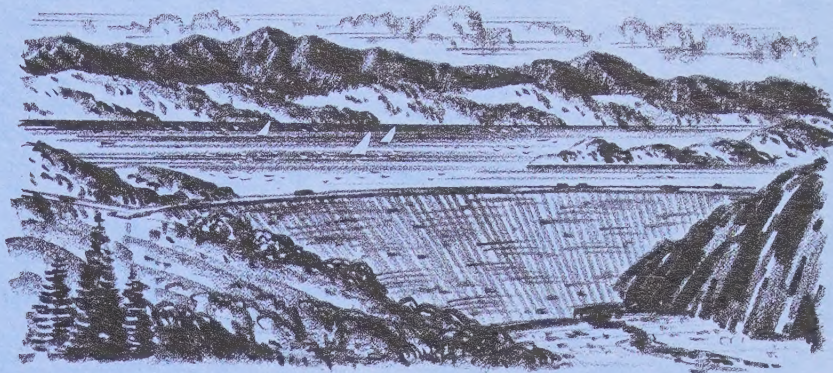
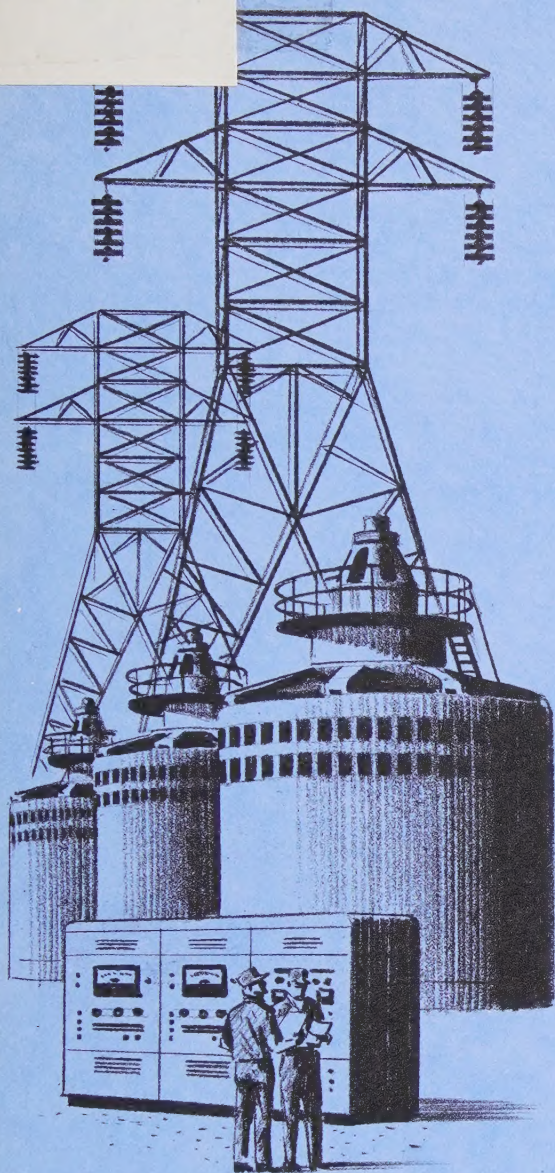


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*Official Statement*

*Modesto Irrigation District*

STANISLAUS COUNTY, CALIFORNIA

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

*\$5,200,000*

*1975 Revenue Warrants*

APR 28 1975

UNIVERSITY OF CALIFORNIA

Bids to be received by the Board of Directors of the District at the Office of the District, 1231 Eleventh Street, Modesto, California at 2:00 p.m., Monday, May 5, 1975. (For information relating to acceptance of bids in San Francisco see Notice of Sale.)

Irrigation Stanislaus  
Local govt " "  
Public Lebt. " "  
Investments pub securit  
Indl. surveys Modesto



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**MODESTO IRRIGATION DISTRICT**  
**Stanislaus County, California**

**BOARD OF DIRECTORS**

R. E. Penney, *President*

Lowell R. Clark                      Mathew Fiscalini

Norton Coleman                      John E. Kidd

Mervin Bennett, *Chief Administrative Officer*

H. L. Brooks, *Secretary-Treasurer*

Warren F. Gant, *Attorney*

---

**SPECIAL SERVICES IN CONNECTION WITH THE SALE**

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco, California*  
*Bond Counsel*

**PAYING AGENT**

San Francisco and Los Angeles, California, Chicago, Illinois and New York, New York  
(to be designated by successful bidder under terms described in the Notice of Sale)

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco, California*  
*Financing Consultants*

The information contained within this Official Statement was prepared, under the direction of the Board of Directors of the District, by Stone & Youngberg Municipal Financing Consultants, Inc., who were employed by the District as financing consultants in connection with the Project.

This Official Statement is not to be construed as a contract with the purchasers of the warrants. All summaries of the Official Notice of Sale, Resolution of Issuance, contracts, agreements, or other documents described herein are made subject to the full provisions of all such documents, and reference is made to the complete text on file with the District for further information in connection therewith.

The information contained within this Official Statement has been compiled from sources believed to be reliable but contains estimates and matters of opinion which are not intended as representations of fact.

**THE DATE OF THIS OFFICIAL STATEMENT IS APRIL 15, 1975**



## OFFICIAL NOTICE OF SALE

\$5,200,000

### MODESTO IRRIGATION DISTRICT 1975 REVENUE WARRANTS

NOTICE IS HEREBY GIVEN that sealed proposals will be received and opened by the Board of Directors of Modesto Irrigation District, Stanislaus and Tuolumne Counties, State of California, at the regular meeting place of said Board at the office of the Modesto Irrigation District, 1231 Eleventh Street, Modesto, California on

**MONDAY, MAY 5, 1975**

at the hour of 2:00 o'clock P.M. for the purchase of \$5,200,000 principal amount of warrants of the District designated "Modesto Irrigation District 1975 Revenue Warrants" more particularly described below.

**ISSUE AND DENOMINATION:** \$5,200,000 consisting of 1040 warrants numbered 1 to 1040, both inclusive, of the denomination of

\$5,000 each. The warrants hereby offered for sale are the entire principal amount of an issue authorized pursuant to a resolution of the Board of Directors of the District adopted on March 18, 1975, and approved by Order No. 36 of the California State Treasurer dated April 3, 1975.

**DATE:** The warrants are dated May 1, 1975.

**MATURITY:** The warrants mature as follows:

Warrant Numbers (Inclusive)	Principal Amount	Maturity Date (November 1)
1- 250 .....	\$1,250,000	1976
251- 500 .....	1,250,000	1977
501- 750 .....	1,250,000	1978
751-1040 .....	1,450,000	1979

**INTEREST RATE:** Maximum eight (8) per cent per annum, payable annually the first year on May 1, 1976 and semiannually thereafter on May 1 and November 1 of each year. Bidders may specify any number of separate interest rates irrespective of the maturities of the warrants, and the same rate or rates may be repeated as often as desired; provided, however, that (i) the difference between the highest and lowest coupon rates specified in any bid shall not exceed one per cent (1%); (ii) each interest rate specified must be in a multiple of 1/20 of one per cent and a zero rate of interest cannot be specified; (iii) no warrant shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each warrant shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all warrants of the same maturity shall bear the same rate of interest; and (vi) any premium must be paid in bank funds as part of the purchase price, and no bid will be accepted which provides for the cancellation and surrender of any interest coupon or for the waiver of interest or other concession by the bidder as a substitute for bank funds. Bids which do not conform to the terms of this paragraph will be rejected.

**PAYMENT:** Both principal and interest on the warrants are payable in lawful money of the United States of America at the office of the Treasurer of the District in Modesto, California, or at the option of the holder at the principal offices of the Paying Agent of the District in San Francisco and Los Angeles, California, or at the principal office of the Paying Agent of the District in New York, New York, or at the office of the Paying Agent of the District in Chicago, Illinois.

The successful bidder may at his option designate the Paying Agent for the warrants in San Francisco, California; provided that any such Paying Agent must be a bank or trust company duly qualified in California with a capital and surplus of not less than \$50,000,000 and having an office in San Francisco, California, and whose fees and charges for serving as such Paying Agent are satisfactory to the District. If the successful bidder fails to designate a San Francisco, California Paying Agent for the warrants, the District will designate such Paying Agent, which will be a bank or trust company meeting the foregoing qualifications. The San Francisco, California Paying Agent shall in turn designate the Los Angeles, California, the Chicago, Illinois and the New York, New York Paying Agents for the warrants.

**EXECUTION AND REGISTRATION:** The warrants will be issued with coupons and will be executed by the manual signature of at least

one official authorized to execute the warrants. Such warrants are registrable only as to both principal and interest, and are not subject to discharge from registration.

**PURPOSE OF ISSUE:** The warrants are authorized for the purpose of financing a capital improvement program for maintaining and improving the District's irrigation and electrical system.

**SECURITY:** The warrants are special obligations of the District and are payable solely from the net revenues received by the District from the sale of electricity, in accordance with the resolution providing for the issuance of the warrants, and the District is not obligated to pay the same except from said net revenues.

**SPECIAL FUNDS:** The District has established a Revenue Fund, and has covenanted that all income and revenue received from the sale of electricity shall be deposited in said fund. The moneys in said fund are authorized to be used and withdrawn therefrom solely to pay all budgeted general administrative expenses of the District, together with all costs of maintaining and operating the electric system of the District, and any balance remaining in said fund on the last day of each month shall be withdrawn from such fund and transferred to the Interest and Redemption Fund established by the District and applied to the payment of the principal of and interest on the warrants, as provided in the resolution issuing the warrants.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the warrants (i) the income received by any private holder from warrants of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the



terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (ii) any federal income tax law is enacted which will have a substantial adverse tax effect on holders of the warrants as such, the successful bidder may, at his option, prior to the tender of the warrants by the District, be relieved of his obligation under the contract to purchase the warrants and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinion of Messrs. Orrick, Herrington, Rowley & Sutcliffe, Bond Counsel, of San Francisco, California, approving the validity of said warrants, will be furnished to the successful bidder without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each warrant without charge to the purchaser.

#### **TERMS OF SALE**

**Highest Bid:** The warrants will be awarded to the highest bidder, considering the interest rate specified and the premium offered, if any, or the discount specified, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from or by adding the amount of the discount specified (if any) to the total amount of interest which the District would be required to pay from the date of said warrants to the maturity dates at the interest rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the District. The purchaser must pay accrued interest from the date of the warrants to the date of delivery. Accrued interest shall be computed between the dates aforesaid on a 360-day year basis. The cost of printing the warrants will be borne by the District.

**Right of Rejection:** The Board of Directors of the District reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

**Prompt Award:** The Board of Directors of the District will take action awarding the warrants or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals unless such time of award is waived by the successful bidder. Prompt notice of award will be given to the successful bidder.

**Prompt Delivery:** Delivery of said warrants will be made to the successful bidder at the office of the Paying Agent of the District in San Francisco or Los Angeles, California, as selected by the successful bidder, as soon as the warrants can be prepared, which it is estimated will be within thirty days from the date of sale thereof. Three days' notice of the date of delivery will be given to the successful bidder.

**Right of Cancellation:** The successful bidder shall have the right at his option to cancel the contract of purchase if the District shall fail to tender the warrants for delivery within sixty days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**Form of Bid, Maximum Discount:** All bids must be for not less than all of the warrants hereby offered for sale and for accrued interest to date of delivery, plus such premium or less such discount as is specified; provided that no discount in excess of \$130,000 may be specified. Each bid, together with bidder's check must be enclosed in a sealed envelope addressed to the Board of Directors of Modesto Irrigation District and endorsed "Proposal for Modesto Irrigation District 1975 Revenue Warrants," and must be delivered to said Board at its office at 1231 Eleventh Street, Modesto, California prior to 2:00 o'clock P.M. on May 5, 1975. As an accommodation to bidders and subject to the following understanding, a representative of Stone & Youngberg Municipal Financing Consultants, Inc. will plan to deliver sealed bids to the Board of Directors of the District if such bids are received at the office of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California prior to 11:30 o'clock A.M. on May 5, 1975; it being expressly understood by any such bidder that such representative of Stone & Youngberg Municipal Financing Consultants, Inc., will make his best efforts to effect such timely delivery, but will be under no liability for his failure to do so.

**Bid Check:** With each bid must be submitted a certified check or cashier's check for \$50,000 drawn on a bank or trust company transacting business in the State of California, payable to the order of Modesto Irrigation District, to secure the District from any loss resulting from the failure of the bidder to comply with the terms of his bid. In addition, bidders are requested (but not required) to supply an estimate of the total net interest cost to the District on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the District. Checks of all bidders except the successful bidder will be returned by the District by mail promptly following the sale date above specified. No interest will be paid upon the deposit made by any bidder.


**Official Statement:** The District has prepared an Official Statement relating to the warrants, a copy of which will be furnished upon request to Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111.

There is no litigation now pending concerning the validity of the above issue, the corporate existence of the District or the title of the District officers to their respective offices, and the District will furnish to the successful bidder, a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

Dated: April 15, 1975

H. L. BROOKS

*Secretary of the Board of Directors  
of Modesto Irrigation District,  
Stanislaus and Tuolumne Counties,  
State of California*



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MAP OF CALIFORNIA



General Location of  
Modesto and Turlock  
Irrigation Districts

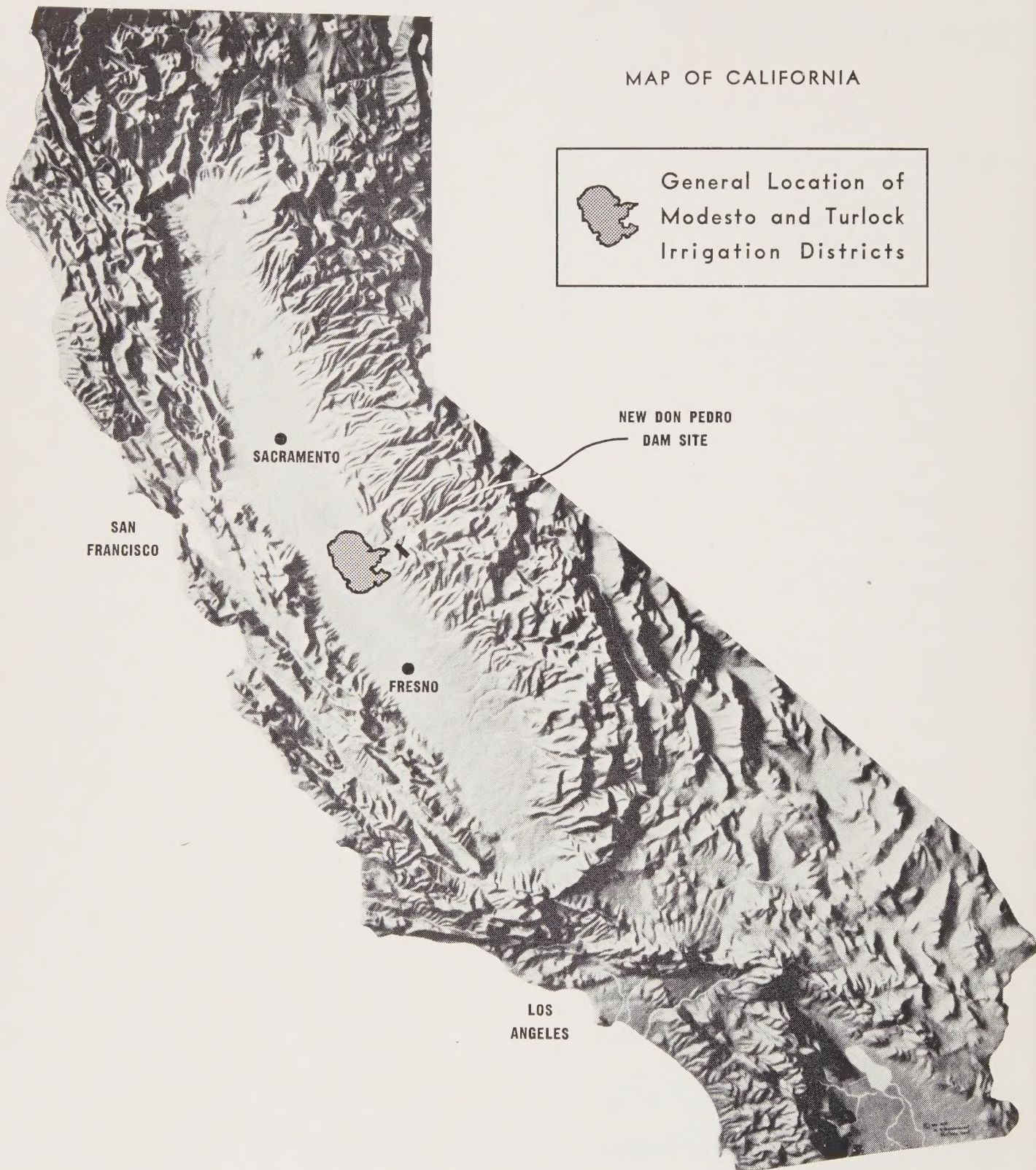
SAN  
FRANCISCO

SACRAMENTO

FRESNO

LOS  
ANGELES

NEW DON PEDRO  
DAM SITE





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# INTRODUCTION

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Prior to the passage of California's two tax limit bills, Irrigation District warrants were general obligations. With the tax limit bills, they have become special obligations, the terms and conditions of their security being defined in the Resolution of Issuance.

The \$5,200,000 of Modesto Irrigation District 1975 Revenue Warrants are secured by a pledge of net electrical system revenues. Minimum coverage of net revenues to debt service is pledged at not less than 200 percent. Actual coverage as projected in Table 5 is estimated to be not less than 436 percent.

The warrants will be issued in coupon form in denominations of \$5,000. Principal is payable beginning November 1, 1976, and annually thereafter with the final payment November 1, 1979. Interest is payable for the first year on May 1, 1976 and semiannually thereafter.

Bidders may offer to purchase the warrants at a discount of up to \$130,000 (2½ percent).

Modesto Irrigation District, located in the San Joaquin Valley approximately 90 miles southeast of San Francisco, was organized in 1887. The District provides electrical power throughout its boundaries to over 51,000 customers as well as water for irrigation and drainage facilities. Irrigation water is priced at \$1.50 per acre.

Most of the District's revenues are derived from power sales. Rates are over 35% lower for domestic service than those charged by private companies in comparable areas. The District does not levy an assessment (tax). Revenues have been sufficient to meet all of the cost of the District including debt service, and to provide an average of approximately \$4,250,000 per year over the last five years for capital improvements. As of the close of the 1974 fiscal year (December 1) the District has a cash balance in reserve of \$6,431,800 plus an additional estimated surplus of over \$7,600,000 in the Don

Pedro Dam Construction Fund. It is anticipated that the surplus in the Don Pedro Fund will be used to meet a part of the debt service on the Don Pedro Bonds once such fund is released.

The estimated 1974/75 assessed valuation (on the county basis) is \$300,875,000 for land and improvements. The State Board of Equalization reports the assessment ratio in Stanislaus County to be 24.4 percent of market value. Tax collection experience in the District is excellent, as indicated by the four principal code areas of the District (55 percent of the District's assessed valuation), as shown in Table 3, tax delinquency has averaged less than 1 percent over the last five years.

The City of Modesto is the principal trade and service center in the District, accounting for almost one-half of retail sales in the County. Industry is centered primarily in the Modesto area. In recent years there has been a strong tendency toward diversification, lessening the dependence on industrial activity related to agriculture. Agriculture itself remains one of the mainstays of the economy of the County with total production of over \$381,000,000 in 1973, increasing by an average of over \$40,000,000 per year since 1969. Principal agricultural production is in the areas of livestock, poultry, animal products, fruits and nuts.



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## FINANCIAL DATA

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### Assessed Valuation

An Irrigation District normally maintains a separate assessment roll from that of the County. In many cases, these rolls bear very little resemblance to land value but relate more to agricultural productivity. Modesto Irrigation District does not levy any assessments and therefore has not maintained a roll for many years.

By examining the records of Stanislaus County, we were able to produce an accurate estimate of the assessed valuation of the District on the County basis as shown in the following tabulation:

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#### MODESTO IRRIGATION DISTRICT

##### Estimated 1974/75 County Assessed Value<sup>①</sup>

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Land .....	\$ 85,639,000
Improvements .....	215,236,000
Total <sup>②</sup> .....	<u>\$300,875,000</u>

---

① The State Board of Equalization reports Stanislaus County assessments were equal to 24.4% of market value.

② Personal property is not included. Based on past experience this would have added an estimated 10% to the total value.

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### Tax Rates, Levies and Delinquencies

There are four principal tax code areas in the District, aggregating over 55 percent of total District assessed valuation. A five year summary of tax rates within these four code areas is shown on Table 2. It will be noted that tax rates have shown a declining trend beginning in 1971/72.

Tax delinquencies as experienced in the four largest tax code areas of the District are very

modest, averaging less than 1% per year over the last five years as shown in Table 3.

### Income, Expenditures, Fund Balances and Projected Coverage

A five-year history of District Income and expenditures is shown in Table 4. This table reflects both the electrical system operation, irrigation and the balance of District activities. As indicated, a considerable amount of funds have been expended annually for capital improvements. As of December 31, 1974 (the close of the District's fiscal year) the following cash reserves were available:

---

Restricted (New Don Pedro Dam Fund) <sup>①</sup> .....	\$ 7,764,600
Unrestricted .....	6,431,800
Improvement District Warrants ...	<u>64,200</u>
Total .....	<u>\$14,260,600</u>

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① See Footnote—Table 4.

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The District has maintained a very conservative policy in relation to available fund balances to meet emergency situations as reflected above. It is anticipated that the balance in the New Don Pedro Bond Fund less approximately \$100,000-\$150,000 to be retained for completion of the project, will be released to the District within the next year. Such funds are proposed to be used by the District to meet a portion of the Debt Service on outstanding general obligation bonds.

Table 5 shows the projected coverage on the warrant issue based on estimated power sales revenues and expenditures relating thereto. As will be noted, minimum projected coverage is 436%. In this table credit has not been shown from the application of surplus New Don Pedro Bond Funds.

### Balance Sheet

The condensed balance sheet as of the close of the District's last fiscal year (December 31, 1974) is shown in Table 6.



Table 2

## MODESTO IRRIGATION DISTRICT

## Total Tax Rates in Principal Tax Code Areas

Code Area	County	Tax Rates			Total
		City	School	All Other	
<b>2-01</b>					
1969/70 .....	\$3.420	\$1.500	\$6.870	\$.210	\$12.000
1970/71 .....	4.604	1.500	7.620	.220	13.944
1971/72 .....	3.680	1.170	6.890	.170	11.910
1972/73 .....	3.670	1.170	7.350	.170	12.360
1973/74 .....	2.870	1.100	6.180	.170	10.320
<b>2-08</b>					
1969/70 .....	3.420	1.500	6.710	.210	11.840
1970/71 .....	4.604	1.500	7.240	.220	13.564
1971/72 .....	3.680	1.170	6.500	.170	11.520
1972/73 .....	3.670	1.170	6.710	.170	11.720
1973/74 .....	2.870	1.100	5.970	.170	9.940
<b>2-09</b>					
1969/70 .....	3.420	1.500	6.070	.210	11.200
1970/71 .....	4.604	1.500	7.190	.220	13.514
1971/72 .....	3.680	1.170	6.490	.170	11.510
1972/73 .....	3.670	1.170	7.040	.170	12.050
1973/74 .....	2.870	1.100	5.870	.170	10.010
<b>80-12</b>					
1969/70 .....	3.450	—	6.870	.810	11.130
1970/71 .....	4.640	—	7.620	.820	13.080
1971/72 .....	3.720	—	6.890	.640	11.250
1972/73 .....	3.700	—	7.350	.640	11.690
1973/74 .....	2.900	—	6.180	.640	9.720

Table 3

## MODESTO IRRIGATION DISTRICT

## Secured Tax Levies and Delinquencies in Four Largest Tax Code Areas

Year Ending June 30	Secured Tax Levy	Delinquency, June 30	
		Amount	Percent
1970 .....	\$ 9,465,888	\$ 96,668	1.02%
1971 .....	11,828,362	124,867	1.06%
1972 .....	13,485,273	93,739	.70%
1973 .....	15,694,815	118,421	.75%
1974 .....	13,979,006	138,446	.99%



Table 4

## MODESTO IRRIGATION DISTRICT

## Revenues, Expenditures and Fund Balances

	ACTUAL				
	1970	1971	1972	1973	1974
	CASH FLOW				
Revenue:					
Electric Sales .....	\$ 9,780.9	\$10,658.7	\$11,596.2	\$12,260.1	\$14,516.1
Water Sales .....	—0—	—0—	—0—	—0—	90.5
Interest Earned .....	571.0	468.8	347.6	351.4	468.0
Other Income .....	83.2	93.9	110.8	110.1	387.4
Interest Earned—Bond Fund .....	86.1	411.3	359.1	379.9	603.0
Total Revenue .....	10,521.2	11,632.7	12,413.7	13,101.5	16,065.0
Deduct Purchased Power .....	4,136.4	4,430.4	4,963.8	4,864.9	4,833.6
Net Revenue .....	6,384.8	7,202.3	7,449.9	8,236.6	11,231.4
Maintenance and Operation Expense:					
Electric .....	1,378.3	1,603.3	1,940.5	1,913.8	2,084.2
Irrigation .....	866.0	868.4	924.1	965.5	995.8
General and Administrative .....	849.4	861.9	1,039.2	1,269.8	1,428.3
Interest Expense .....	—0—	392.1	777.3	763.3	748.7
Debt Retirement Expense .....	—0—	240.0	250.0	270.0	280.0
Other Expense .....	758.2	163.3	173.5	163.3	539.9
Total Maintenance, Operation and Other .....	3,851.9	4,129.0	5,104.6	5,345.7	6,076.9
Net Revenue from Operations .....	2,532.9	3,073.3	2,345.3	2,890.9	5,154.9
Capital Expenditures:					
230KV Intertie .....	—0—	—0—	—0—	37.9	589.7
Other Systems Improvements .....	1,278.0	2,270.1	2,695.4	3,069.1	2,445.2
Other Major Capital Items .....	3,724.2	4,537.2	836.6	—0—	—0—
Total Capital .....	5,002.2	6,807.3	3,532.0	3,107.0	3,034.9
	ANALYSIS OF RESERVES				
Restricted <sup>①</sup> :					
Beginning of Year .....	\$10,942.0	\$ 7,432.1	\$ 6,896.2	\$ 6,965.3	\$ 7,218.0
Change .....	(3,509.9)	(535.9)	69.1	252.7	546.6
End of Year .....	\$ 7,432.1	\$ 6,896.2	\$ 6,965.3	\$ 7,218.0	\$ 7,764.6
Improvement District Warrants .....	\$ 36.7	\$ 112.5	\$ 96.0	\$ 83.3	\$ 64.2
Unrestricted:					
Beginning of Year .....	\$ 7,943.6	\$ 8,612.9	\$ 7,655.4	\$ 6,189.7	\$ 5,217.6
Change .....	(2,469.3)	(3,734.0)	(1,186.7)	(216.1)	2,119.6
Less: Adjustment for Construction Ex- penditures from Restricted Reserves in Above .....	3,706.9	2,761.0	420.7	127.2	56.4
Change in A/R, A/P, Etc. ....	(568.3)	15.6	(699.8)	(883.1)	(961.8)
End of Year .....	\$ 8,612.9	\$ 7,655.5	\$ 6,189.6	\$ 5,217.7	\$ 6,431.8
Total Reserves End of Year .....	\$16,081.7	\$14,664.2	\$13,250.9	\$12,219.0	\$14,260.6

① Surplus from Sale of New Don Pedro Dam Bonds in 1967, together with interest thereon.



Table 5

## MODESTO IRRIGATION DISTRICT

## Projected Electrical System Revenues, Expenditures and Coverage

(in \$1,000's)

	1975	1976	1977	1978	1979
Estimated revenue from power sales <sup>①</sup> . . . .	\$15,785	\$17,403	\$19,187	\$21,153	\$23,322
Expenditures					
Purchased power . . . . .	\$ 5,569	\$ 6,118	\$ 6,630	\$ 7,231	\$ 7,876
Maintenance and Operation . . . . .	1,815	2,032	2,215	2,415	2,632
General and Administrative . . . . .	1,932	2,164	2,359	2,571	2,807
All Other . . . . .	470	526	613	668	728
Total . . . . .	\$ 9,786	\$10,840	\$11,817	\$12,885	\$14,043
Net Revenue . . . . .	\$ 5,999	\$ 6,563	\$ 7,370	\$ 8,268	\$ 9,279
Estimated Warrant Service <sup>②</sup> . . . . .	\$ 291	\$ 1,505	\$ 1,527	\$ 1,439	\$ 1,552
Annual Coverage . . . . .	N/A	436%	482%	574%	597%
Balance Available . . . . .	\$ 5,708	\$ 5,058	\$ 5,843	\$ 6,829	\$ 7,727
General Obligation Bond Debt Service <sup>③</sup> .	\$ 1,021	\$ 1,023	\$ 1,018	\$ 1,012	\$ 1,011
Balance Available for other District purposes	\$ 4,687	\$ 4,035	\$ 4,825	\$ 5,817	\$ 6,716

① Assumes a five percent rate increase effective July 1 of each year. The 1975 increase has already been adopted. These increases are very modest when compared to other electrical utilities. National Utilities Services projects an annual increase of fifteen percent for the West Coast's ten largest utilities. Current Modesto Irrigation District rates are compared to those in a comparable community on Table 7.

② From Table 1.

③ If sufficient funds were not available to meet General Obligation Bond debt service, the District would be required by law to levy an ad valorem assessment for this purpose.

Table 6

## MODESTO IRRIGATION DISTRICT

Condensed Balance Sheets  
December 31, 1974

## ASSETS

	1974
<b>CURRENT ASSETS:</b>	
Cash—General Fund .....	\$ 6,362,414
Electric Accounts Receivable .....	949,690
Plant Materials and Operating Supplies .....	1,165,357
Miscellaneous Assets .....	785,141
Total Current Assets .....	<u>\$ 9,262,602</u>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>	
Utility Plant—Irrigation:	
Irrigation Plant in Service .....	\$13,448,474
Less: Accumulated Depreciation .....	3,782,311
Plant Less Depreciation .....	<u>\$ 9,666,163</u>
Other .....	<u>\$ 79,782</u>
Utility Plant—Electric:	
Electric Plant in Service:	
Intangible Plant .....	\$ 146,402
Less—Contributions in Aid to Construction .....	(23,975)
Hydraulic Production .....	32,991,839
Less—Contributions in Aid to Construction .....	(18,424,803)
Transmission Plant .....	8,993,273
Distribution Plant .....	24,902,857
Less—Contributions in Aid to Construction .....	(930,006)
General Plant .....	2,590,571
Total Plant .....	<u>\$50,246,158</u>
Less: Accumulated Depreciation .....	15,366,914
Plant Less Depreciation .....	<u>\$34,879,244</u>
Electric Work in Progress .....	<u>\$ 1,341,621</u>
Other Property and Investments—Electric:	
New Don Pedro Construction Fund:	
New Don Pedro Project—Joint Account .....	\$ 78,813
Modesto Irrigation District .....	
New Don Pedro Construction Fund .....	7,685,844
Total .....	<u>\$ 7,764,657</u>
Total Property Plant and Equipment .....	<u>\$53,731,467</u>
<b>DEFERRED COSTS—Preliminary Survey and Investigation .....</b>	<b>\$ 87,499</b>
Total Assets .....	<u><u>\$63,081,568</u></u>



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## LIABILITIES

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1974

### CURRENT LIABILITIES:

Total Current Liabilities ..... \$ 2,195,384

### LONG-TERM DEBT—

Bonds—New Don Pedro Project ..... \$17,200,000

### DEFERRED CREDITS:

Davis-Grunsky Recreation Fund ..... \$ 53,305

Deferred Income—Bond Fund ..... 3,327,084

Total Deferred Credits ..... \$ 3,380,389

### PROPRIETARY CAPITAL:

Net Investment—Property Plant and Equipment ..... \$33,140,153

Unrestricted Reserves ..... 7,165,642

Total Proprietary Capital ..... \$40,305,795

Total Liabilities and Capital ..... \$63,081,568

---

# THE PROJECT

The District has carried out an extensive program of capital improvement on a pay-as-you-go basis. Over the last five annual years an average of \$4,250,000 has been spent for additions and improvements to the system.

In addition to the normal improvement programs, which will include items of work over the next two years varying in cost from several hundred to several million dollars, the District is also currently engaged in a joint project with Turlock Irrigation District to construct an intertie line. This line will connect the Districts to Pacific Gas & Electric Company's west side line and will be capable of carrying 230 KV. The estimated remaining cost of this project to Modesto Irrigation District is \$6,685,000.

While all of the required funds could have been taken from the general reserve fund and current revenue, it was the unanimous opinion of the Board that it was important to maintain the reserve level and any other course of action would not be prudent, leaving the District unable to respond quickly to any unforeseen emergencies.

## Electric System Operation

As was shown in Table 4, more than 90% of the Districts' operating revenue comes from electrical sales. A five-year history of connections and kilowatt-hour consumption is shown in the accompanying tabulation.

### MODESTO IRRIGATION DISTRICT

#### Summary of Connections and Consumption

Year	Number of Customers	KWH (in \$1,000)
1970 .....	41,986	708,935
1971 .....	44,276	781,344
1972 .....	46,795	866,827
1973 .....	48,900	923,319
1974 .....	51,100	932,923

## Electrical Rates

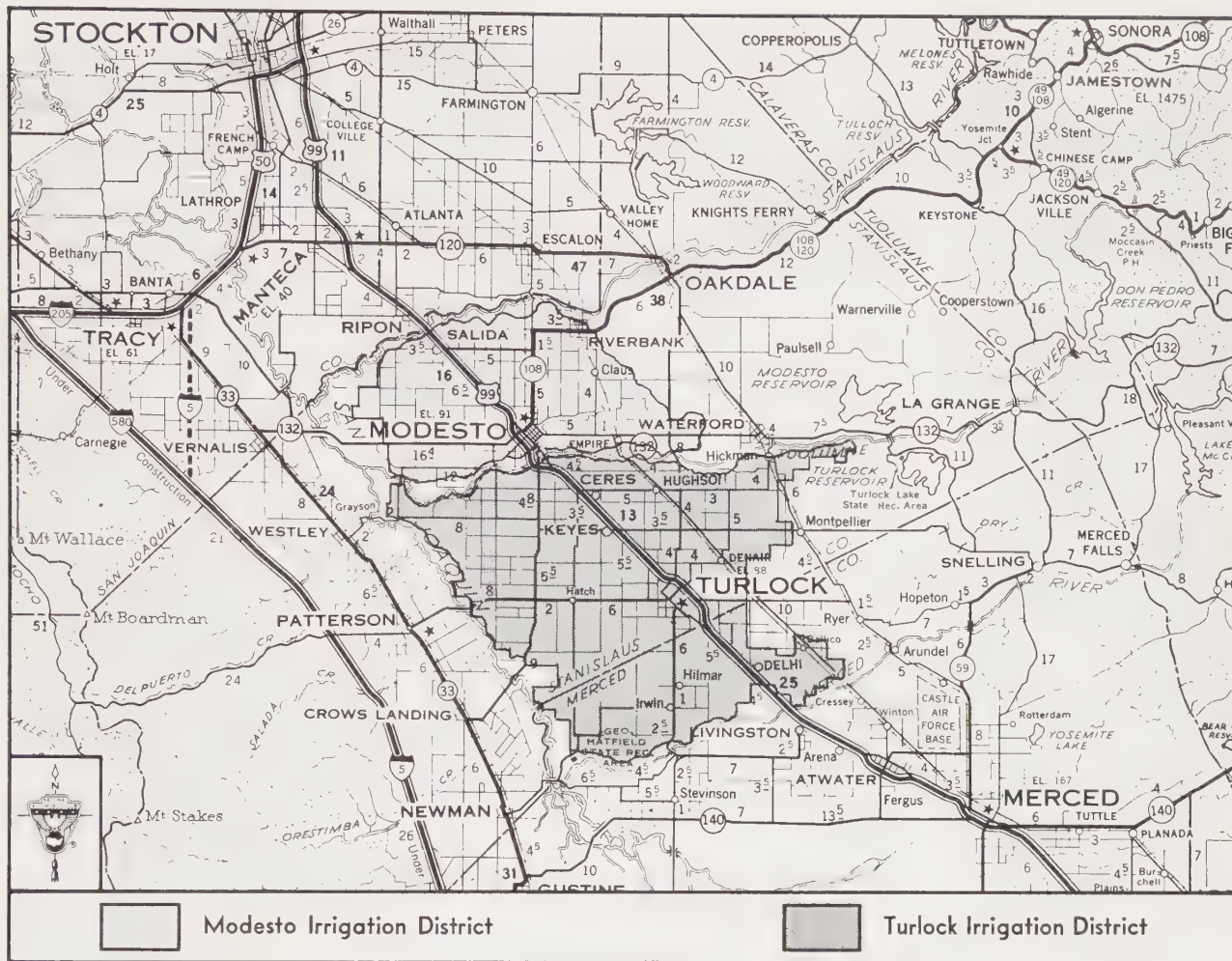
As earlier noted, Modesto Irrigation District has taken all necessary action to increase power rates as of July 1, 1975, by 5%. Present projections indicate that a continuing annual five percent (5%) increase will be required to keep the District running at its present level of service. This rate of increase is considered quite modest when compared to the annual fifteen percent (15%) average rate of increase projected by National Utilities Services for the West Coast ten largest utilities.

**Table 7**  
**Comparison of Modesto Irrigation District**  
**Power Rates**

Maximum Demand	Monthly Usage KWH	Average Cost Per KWH (Cents)	
		Modesto①	Private Power Company (In Comparable Area)
5,000 KW ....	1,000,000	1.49¢	2.07¢
2,500 KW ....	500,000	1.51	2.19
1,000 KW ....	200,000	1.56	2.34
500 KW ....	100,000	1.66	2.30
300 KW ....	60,000	1.77	2.37
150 KW ....	30,000	2.00	2.55

① Served by Modesto Irrigation District.





## THE DISTRICT

Modesto Irrigation District has a gross area of 91,380 acres, all of which is located in Stanislaus County, except for those lands encompassing Don Pedro Reservoir in Tuolumne County. The District lands in Tuolumne County are owned jointly with Turlock Irrigation District and have been annexed by both Districts. The District includes the City of Modesto, which is the principal trade and industrial center, and the small unincorporated communities of Salida and Empire.

Modesto Irrigation District and the adjoining Turlock Irrigation District are joint owners of the La Grange diversion dam and the new Don Pedro dam, reservoir, and power facilities on the Tuolumne River. These Districts have played an important role in the development of Stanislaus County by supplying low cost water for irrigation and inexpensive electric power for industrial and domestic use.

### District Organization

Modesto Irrigation District, organized in 1887, was one of the first two irrigation districts formed in the State of California. The Board of Directors is composed of five members who are elected by divisions of the District for four-year alternating terms, with the president being elected by the Board from among its members. District operations are carried out from headquarters in Modesto under the direction of the Chief Administrative Officer. The

District has 300 employees and complete shops and equipment to maintain and operate all facilities.

## Population and Growth Indices

Accurate population statistics are not kept separately for Modesto Irrigation District. The following tabulation summarizes the estimated population of the District based on utility connections and extrapolations of census data.

### MODESTO IRRIGATION DISTRICT

#### Estimated Population

Year	
1968	80,195
1969	83,635
1970	86,645
1971	90,300
1972	95,030
1973	100,620
1974	105,135
1975	109,870

## Banking

Modesto Irrigation District is served by branches of the following banks: Bank of America N.T. & S.A. (4), The Bank of California, N.A. (2), Center State Bank (2), Central Bank N.A. (2), Crocker National Bank (2), Farmers and Merchants Bank (1), Security Pacific National Bank (2), United California Bank (1), and Wells Fargo Bank (2).

## Commercial Activity

Commercial activity in the City of Modesto is characterized by a well diversified central business district and thirteen neighborhood shopping centers. The Modesto commercial area includes the department stores of Sears, Roebuck, J. C. Penney, and Montgomery Ward, together with a complete selection of other retail outlets, business offices, banks, restaurants, service establishments, and the city-county government centers.

Total taxable transactions in the City of Modesto and Stanislaus County have grown steadily over the last five years as shown in the accompanying tabulation.

### Taxable Transactions (in \$1,000's)

Year	Taxable Modesto	Taxable <sup>①</sup> Stanislaus County	Total <sup>②</sup> Stanislaus County
1964	\$131,876	\$263,461	\$307,567
1965	140,727	282,948	342,998
1966	148,545	299,714	359,261
1967	151,993	302,783	361,886
1968	165,480	338,649	387,612
1969	180,618	364,710	402,120
1970	188,480	381,640	419,084
1971	209,905	436,942	463,939
1972 <sup>③</sup>	240,326	511,155	517,749
1973 <sup>③</sup>	268,154	589,318	N.A.

① State Board of Equalization.

② Sales Management Survey of Buying Power

③ Includes new Tax on Gasoline.



Reed Tower, Office Building in downtown Modesto.





Gallo Winery.

## Employment

Historically, agriculture has been a dominant factor in the economy of Stanislaus County and the development of the City of Modesto into an important trade and industrial center. Expansion during the last twenty years has been closely related to technological developments in the food processing industry. Employment in manufacturing from 1966 (latest statistics available at the last bond offering) to 1973 has increased by more than 2.3 times.

The following tabulation summarizes estimated total civilian employment of the Modesto-Turlock area during 1973 (total population estimated at 214,800). As will be noted, the trade and service category, agriculture and manufacturing dominate employment in the area.

### Estimated Average Civilian Employment Modesto-Turlock Labor Market Area

1973	
Agriculture .....	10,500
Construction .....	4,400
Manufacturing .....	24,300
Transportation/Communication/Utilities ..	3,200
Retail Trade .....	12,300
Wholesale Trade .....	2,600
Finance/Real Estate/Insurance .....	1,500
Services .....	11,600
Government .....	12,200
Other Non-Agriculture .....	7,700
Total .....	90,300

## Industry

More than 175 manufacturing plants are located within the Greater Modesto Area, most of which are within the District boundaries. In addition to Modesto's location in the center of a highly-productive agricultural area, the availability of low-cost power, modern sewage treatment and disposal facilities, and reasonably priced developable land has added to the industrial potential.

There are presently 4,000 acres of industrially zoned lands within the Modesto urban area. The Beard Industrial District, providing all utilities and services, is a highly developed industrial park located adjacent to the City, with 27 major industries presently represented. The South Modesto Industrial Park, an area of 187 acres within the city limits of Modesto, is being developed by Tidewater Southern Railway.

Among the largest manufacturing employers in the Modesto area as of June 1974 were the following:

Company	Products	Approximate Employment
American Can Company	Printed food packages	300
Berberian, Haig	Nuts	225*
Borden Company	Milk, cheese, ice cream and cans	180
C T Supply Company	Metal cans	80
C. V. C. General Foods	Dehydrated vegetables and frozen foods	1,000*
Campbell Soup Company	Frozen prepared foods	750
Charmin Paper Products (P & G)	Disposable diapers	350
Circle A W Manufacturing Company	Electrical equipment	175
Del Monte Corporation	Canned food products	400*
Foster Farms	Dairy and poultry products	100
FMC Corp., Mineral Products Div.	Barite chemicals	175
Gallo Glass Company	Bottles	750
E & J Gallo Winery	Wines	1,600
Georgia Pacific Paper Company	Paper cartons	90
B. F. Goodrich Company	Plastic extrusions	50
John Inglis Frozen Foods	Frozen foods	500*
International Paper Company	Paper cartons	90
Knudsen Corporation	Milk, ice cream, dairy products	80
Masonite Corporation	Wall paneling	100
Merchants Refrigerating Company	Storage warehouse	65
Moore Business Forms	Forms and sales books	185
Nalley's Fine Foods	Canned food specialties	100
National Can Corporation	Metal cans	350*
Rich of California	Turkey specialties	325
S & W Fine Foods	Nuts	150*
SRS-FMC Chemical	Niagara Seed Dept.	60
San Joaquin Baking Company	Bakery products	100
Shell Development Company	Agricultural research	285
J. Hungerford Smith Company	Soda fountain syrups	75
Stanislaus Food Products	Canned food products	1,000*
Tillie Lewis Foods	Canned food products	1,500*
Tri-Valley Growers	Canned food products	4,500*
Weyerhaeuser Company	Paper cartons	140

\*Seasonal high.

Source: Greater Modesto Chamber of Commerce.





## Utilities

Modesto Irrigation District provides electric service and water for irrigation to all of the area within its boundaries. The City of Modesto owns and operates its own domestic water system. Domestic and industrial sewer service is provided by Modesto Municipal Sewage District.

Natural gas is supplied by Pacific Gas and Electric Company. Pacific Telephone Company provides telephone service throughout the area.

## Transportation

The District is traversed by Highway 99, a principal north-south route extending from the Canadian to the Mexican border. Interstate 5 is located less than 20 miles from the western boundary of the District. Trucking service is provided by a number of common carriers and contract carriers with guar-

anteed overnight delivery to Los Angeles and San Francisco. Regularly scheduled Greyhound bus service is available in Modesto.

The District is served by three transcontinental railroads with an interconnecting line.

The Port of Stockton, 45 miles north of the District, can be reached by both rail and truck and provides access to worldwide markets. Commercial air transportation is available at the County airport, with regularly scheduled passenger service provided by United Air Lines.

## Education

Educational facilities in the Modesto Area include 20 elementary schools, 3 junior high schools, 4 high schools, 2 continuation high schools, 2 special schools, and Modesto Junior College, including a complete Adult Education program. There are 3

parochial elementary and 2 parochial high schools. Stanislaus State College is located 10 miles south near Turlock. Private business and vocational schools are also available.

## Community Facilities

Modesto has 5 hospitals, with a bed capacity of approximately 810. There are 195 physicians and surgeons and 78 dentists.

Modesto has one daily newspaper, the Modesto Bee and one weekly newspaper, the Modesto Journal. Five radio stations are located in Modesto. There is a local T.V. station and ten channels can be received direct. Cable television is available.

Seven theaters and five outdoor theaters are located in the area. Cultural activities include the Modesto Symphony Orchestra, Modesto Community Concert Association, Modesto Civic Ballet and Central California Art League.

There are two municipal golf courses (a 9-hole and an 18-hole) and two driving ranges. Private clubs include a golf and country club, tennis and swimming club and an athletic club. Twenty-four playgrounds and 21 parks furnish facilities for baseball, tennis and picnicking. There are several bowling alleys and facilities for skating and other indoor activities. Nearby lakes provide ideal fishing, boating and water sports.

The New Don Pedro project, located approximately 55 miles from the City of Modesto, was a joint project with Turlock Irrigation District and the City and County of San Francisco. It provides extensive recreational opportunities. The lake created by the construction of the New Don Pedro Dam has a shoreline of approximately 160 miles when filled. Three recreational areas have been completed. Facilities include camping and trailer areas, two boat launching ramps, a marina, a swimming lagoon and a variety of other amenities. The recreational development was financed by a grant from the State of California.



Modesto Junior College, Administration Building.



## Agriculture

The District's farm lands are extremely fertile and enjoy an extended growing season. In combination with an abundant and inexpensive water supply, they foster a highly profitable agricultural economy.

Livestock and animal products accounted for more than half the total gross value of farm produc-

tion in Stanislaus County in 1973. Their dominance is seen in the following list of ten leading commodities.

During 1973 the total value of agricultural production in Stanislaus County was more than \$381 million, exceeding all previous records and ranking the County among the nation's top twenty in agricultural production.

### Stanislaus County

#### Gross Value of Agricultural Production (Thousands of dollars)

Commodity Group	1969	1970	1971	1972	1973
Field Crops .....	\$ 29,627	\$ 35,140	\$ 38,925	\$42,880	\$ 66,946
Seed Crops .....	571	768	706	291	458
Vegetable Crops .....	20,703	20,629	22,188	25,218	26,818
Fruits and Nuts .....	54,746	51,870	52,679	55,955	88,062
Nursery Products .....	3,972	3,622	3,679	4,416	4,493
Livestock and Poultry .....	50,080	58,016	59,296	65,072	87,436
Animal Products .....	60,591	66,972	65,543	75,368	106,751
Apiary Products .....	165	193	271	341	731
<b>TOTALS .....</b>	<b>\$220,455</b>	<b>\$237,210</b>	<b>\$243,287</b>	<b>\$269,541</b>	<b>\$381,695</b>

Source: County Department of Agriculture.



Memorial Hospital, Modesto unit.





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